

Labor and Public Employees Committee:

I am writing on behalf of Chili's Grill & Bar and the 19 Casual Dining Restaurants in our State. We have done business in CT since 1987 and employ more than 1,400 residents. I am submitting testimony vehemently opposing **HB 5291 AA Increasing the Minimum Wage, Removing the Minimum Wage Tip Credit and Increasing Penalties for Failure to Pay the Minimum Wage.**

The costs of doing business in our state are among the highest in the Nation; with one of the highest minimum wages and cost of living expenses. CT restaurants already have the pile-on effect of the tax increases and paid sick leave that will present some financial struggles for us this year. To put the magnitude of this bill into perspective – let's look at some AVERAGE assumptions for a Chili's restaurant in CT.

- Approximately 36 servers will work 800 hrs/wk in each restaurant
 - Current server labor = \$4,552/wk [\$236,700/yr]
 - July 1, 2012 labor costs = \$7,200/wk [\$374,400/yr]
 - A difference of \$137,700/yr in the first year
 - A difference of \$168,900/yr beginning July 1, 2013
- Approximately 7 bartenders will work 135 hrs/wk in each restaurant
 - Current Bartender labor = \$991/wk [\$51,532/yr]
 - July 1, 2012 labor costs = \$1,215/wk [\$63,180/yr]
 - A difference of \$11,648/yr in the first year
 - A difference of \$16,913/yr beginning July 1, 2013
- Total cost to the AVERAGE Chili's in CT for the first year = \$149,348
- Total cost to the AVERAGE Chili's in CT for the second year – an additional \$36,465 [\$185,813]
- Total cost to 19 Chili's in CT in the first year is over \$2.8Million in increased labor costs.

From a different perspective, our servers and bartenders average approximately \$20/hr in gratuities alone; adding another \$9 and \$9.75 on top of that would make them one of highest hourly positions available. A full-time server working 30 hrs/wk would earn close to \$50,000/yr – if they could find a job.

This bill is by far the most damaging proposal to the Hospitality Industry that we have seen to date. It is unsustainable! There are many corporate restaurants that do not make that much money in a year of operation; not including the additional costs mentioned above we're already incurring. It is not realistic to offset these costs with price increases. The end result would be multiple forced closures and a loss of hundreds of jobs. Approving this Bill would do more harm than good to the people it is aimed at helping. I urge you to reject this proposal.

Thank you for allowing me to the time to speak.

Irene A. Pia
Area Director, Chili's